

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA**

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In re: )  
 ) Chapter 11  
 )  
MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*, ) Case No. 23-00623 (TJC)  
 )  
Debtors. ) (Jointly Administered)  
 )  
 ) Related to Docket Nos. 58, 222, 265,  
 ) 476, 610

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**NOTICE OF REVISED CURE COSTS WITH RESPECT TO CERTAIN  
POTENTIAL ASSUMED CONTRACTS**

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Iowa (the “Court”) on August 7, 2023 (the “Petition Date”).

**PLEASE TAKE FURTHER NOTICE** that, on August 9, 2023, the Debtors filed a motion [Docket No. 58] (the “Sale Motion”)<sup>1</sup> with the Court seeking entry of orders, among other things, approving (a) procedures for the solicitation of bids in connection with the proposed sale of substantially all of the Debtors’ assets (the “Sale”), subject to the submission of higher or otherwise better offers in an auction process (the “Auction”), (b) the form and manner of notice related to the Sale, and (c) procedures for the assumption and assignment of contracts and leases in connection with the Sale (the “Assumption and Assignment Procedures”).

**PLEASE TAKE FURTHER NOTICE** that, on September 14, 2023, the Court entered an order [Docket No. 222] (the “Bidding Procedures Order”) approving, among other things, the Bidding Procedures, which establish the key dates and times related to the Sale, the Auction, and the Assumption and Assignment Procedures.

**PLEASE TAKE FURTHER NOTICE** that, on September 20, 2023, the Debtors filed a *Notice of Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Costs* [Docket No. 265] (the “Initial Potential Assumed Contract List”), which set forth proposed Cure Costs if any, necessary for the assumption and assignment of the Potential Assumed Contracts listed therein.

**PLEASE TAKE FURTHER NOTICE** that, on November 7, 2023, the Court entered the *Order (I) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of All*

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion, Bidding Procedures Order, or Sale Order, as applicable.

*Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief* [Docket No. 476] (the “Sale Order”).

**PLEASE TAKE FURTHER NOTICE** that, on December 29, 2023, the Debtors filed the *Notice of Assumption and Assignment of Additional Executory Contracts or Unexpired Leases and Cure Costs* [Docket No. 610] (the “Additional Potential Assumed Contract List”).

**PLEASE TAKE FURTHER NOTICE** that, in advance of entry of the Sale Order, certain Contract Counterparties objected (collectively, the “Objecting Contract Counterparties”) to the proposed Cure Costs set forth in the Initial Potential Assumed Contract List by either (a) filing formal objections thereto on the docket or (b) informally objecting over email (collectively, the “Cure Objections”). As set forth in paragraph 21 of the Sale Order, the Objecting Contract Counterparties have until January 12, 2024 to file (to the extent not resolved by agreement with the Debtors) a formal objection to the proposed Cure Costs.

**PLEASE TAKE FURTHER NOTICE** that, since entry of the Sale Order, the Debtors have worked in good faith with the Objecting Contract Counterparties and believe that many of the Cure Objections have been resolved. A schedule listing the agreed upon and/or revised Cure Costs (the “Revised Potential Assumed Contract List”)<sup>2</sup> necessary for the assumption and assignment of the Potential Assumed Contracts is attached hereto as Exhibit A and may also be accessed free of charge on the Debtors’ case information website, <https://dm.epiq11.com/mercyhospital>.

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU HAVE BEEN IDENTIFIED AS A CONTRACT COUNTERPARTY TO A POTENTIAL ASSUMED CONTRACT WHO PREVIOUSLY FILED A CURE OBJECTION OR INFORMALLY INTERPOSED A CURE OBJECTION WITH DEBTORS’ COUNSEL.**

**The assumption and assignment of the Potential Assumed Contracts on the Potential Assumed Contract List is not guaranteed and is subject to approval by the Court and the Debtors’ or the Winning Bidder’s right to not designate a Potential Assumed Contract on the Potential Assumed Contract List as an assumed contract, as well as the Debtors’ right to reject a Potential Assumed Contract on the Potential Assumed Contract List.**

### **Obtaining Additional Information**

Copies of the Sale Motion, the Bidding Procedures, the Bidding Procedures Order, and the Sale Order as well as all related exhibits, including all other documents filed with the Court, are available free of charge on the Debtors’ case information website, located at <https://dm.epiq11.com/mercyhospital>.

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<sup>2</sup> For the avoidance of doubt, unless modified by the Revised Potential Assumed Contract List, the Initial Potential Assumed Contract List and the Additional Potential Assumed Contract List remain unchanged. The Debtors reserve the right to revise, modify, or supplement the Initial Potential Assumed Contract List, the Additional Potential Assumed Contract List, or the Revised Potential Assumed Contract List.

**Filing Assumption and Assignment Objections**

*Except to the extent noted on Exhibit A hereto, each Cure Cost listed on the Revised Potential Assumed Contract List represents all liabilities of any nature that the Debtors believe they have arising under a Potential Assumed Contract prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such liabilities arise out of or relate to events occurring prior to the closing of the Sale. If you believe your Cure Costs are listed with an incorrect amount on the Revised Potential Assumed Contract List, you must object in accordance with the procedures described in the Sale Order.*

Pursuant to the Assumption and Assignment Procedures and the Sale Order, an Assumption and Assignment Objection must (a) be in writing, (b) comply with the Bankruptcy Code, Bankruptcy Rules and Local Bankruptcy Rules, (c) state, with specificity, the legal and factual bases thereof, including, if applicable, the Cure Costs that the contract counterparty believes is required to cure defaults under the relevant Potential Assumed Contract, (d) be filed by no later than **January 12, 2024**, and (e) be served on the Notice Parties (as defined in the Sale Motion).

**CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION**

*Any contract counterparty to a Potential Assumed Contract who fails to timely make an objection to the proposed assumption and assignment of such contract or lease on or before January 12, 2024 in accordance with the Assumption and Assignment Procedures, the Bidding Procedures Order, the Sale Order, and this Notice shall be deemed to have consented to the assumption and assignment of such Potential Assumed Contract and to the revised Cure Costs set forth in the Revised Potential Assumed Contract List with respect to such Potential Assumed Contract, if any, and forever barred from asserting any objection or claims against the Debtors, the Winning Bidder(s), or the property of any such parties, relating to the assumption and assignment of such contract or lease, including asserting additional Cure Costs with respect to such contract or lease. Notwithstanding anything to the contrary in such contract or lease, or any other document, the Cure Claims set forth in the this Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the applicable Potential Assumed Contract under section 365(b) of the Bankruptcy Code arising out of or related to any events occurring prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise.*

*[Remainder of This Page Intentionally Left Blank]*

Dated: Cedar Rapids, Iowa  
January 11, 2024

**NYEMASTER GOODE, P.C.**

/s/ Roy Leaf

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*Counsel for Debtors and Debtors-in-Possession*

**Certificate of Service**

The undersigned certifies, under penalty of perjury, that on this January 11, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case.

/s/ Roy Leaf

**Exhibit A**

**Revised Potential Assumed Contract List**

COUNTER PARTY	CONTRACT CLASSIFICATION	CONTRACT TITLE	Original Cure Amount	Revised Cure Amount
AIRGAS USA LLC	PURCHASE/SALES AGREEMENT	ADDENDUM TO PRODUCT SALE AGREEMENT	\$30,772.54	\$30,772.54 <sup>1</sup>
HAYES LOCUMS, LLC	THIRD PARTY SERVICE AGREEMENT	ADDENDUM CONFIRMATION LETTER DATED 4/19/2023	\$0.00	\$0.00 <sup>2</sup>
HAYES LOCUMS, LLC	THIRD PARTY SERVICE AGREEMENT	ADDENDUM CONFIRMATION LETTER DATED 4/19/2023	--	--
HAYES LOCUMS, LLC	THIRD PARTY SERVICE AGREEMENT	ADDENDUM CONFIRMATION LETTER DATED 3/15/2023	--	--
HAYES LOCUMS, LLC	THIRD PARTY SERVICE AGREEMENT	SERVICE AGREEMENT FOR PROVIDER LOCUM TENES COVERAGE	--	--
HOLOGIC	MAINTENANCE AGREEMENT	NON-STOCK REQUISITION REQUEST FOR SERVICE DTD 11/18/2019	\$42,608.92	\$51,228.92
HOLOGIC	THIRD PARTY SERVICE AGREEMENT	SERVICE AGREEMENT QUOTATION DTD 1/30/23	--	--
HOLOGIC (MA) LLC	THIRD PARTY SERVICE AGREEMENT	AMENDMENT NO 4	--	--
HOLOGIC (MA) LLC	THIRD PARTY SERVICE AGREEMENT	AMENDMENT NO 3	--	--
HOLOGIC LP	THIRD PARTY SERVICE AGREEMENT	EXHIBIT C THINPREP IMAGING SYSTEM LETTER OF ACCEPTANCE	--	--

<sup>1</sup> Airgas asserts that there is currently \$12,308.06 in amounts owed in the ordinary course but not yet due to the Debtors separate from the listed Cure Cost. To the extent that amounts due to Airgas in the ordinary course are not paid prior to the Closing Date, the Debtors shall pay such amounts to Airgas within five (5) business days of Closing Date.

<sup>2</sup> Hayes Locums asserts that there are amounts owed in the ordinary course but not yet due to the Debtors separate from the listed Cure Cost. To the extent that amounts due to Hayes Locum in the ordinary course are not paid prior to the Closing Date, the Debtors shall pay such amounts to Hayes Locum within five (5) business days of the Closing Date.

COUNTER PARTY	CONTRACT CLASSIFICATION	CONTRACT TITLE	Original Cure Amount	Revised Cure Amount
HOLOGIC LP	THIRD PARTY SERVICE AGREEMENT	AMENDMENT NO 1 TO IMAGING SYSTEM AGREEMENT	--	--
HOLOGIC LP	THIRD PARTY SERVICE AGREEMENT	ITEM MANAGER SEARCH DTD 1/26/2011	--	--
HOLOGIC MA LLC	THIRD PARTY SERVICE AGREEMENT	ORDER AGREEMENT	--	--
HUNTINGTON TECHNOLOGY FINANCE INC	LEASE: EQUIPMENT	MASTER EQUIPMENT LEASE AGREEMENT DTD 3/27/2020	\$75,728.38	\$113,592.57 <sup>3</sup>
INTUITIVE SURGICAL INC	PURCHASE/SALES AGREEMENT	AMENDMENT 1 TO THE SALES LICENSE AND SERVICE AGREEMENT	\$178,025.95	\$208,413.77
INTUITIVE SURGICAL INC	PURCHASE/SALES AGREEMENT	SALES & SERVICE AGREEMENT	--	--
INTUITIVE SURGICAL INC	PURCHASE/SALES AGREEMENT	AMENDMENT 1 TO THE SALES LICENSE AND SERVICE AGREEMENT	--	--
INTUITIVE SURGICAL INC	PURCHASE/SALES AGREEMENT	SALES & SERVICE AGREEMENT	--	--
INTUITIVE SURGICAL INC	THIRD PARTY SERVICE AGREEMENT	SERVICE AGREEMENT #4015244	--	--
KRONOS INC	THIRD PARTY SERVICE AGREEMENT	UKG PRO ADDENDUM TO THE WORKFORCE DIMENSION SOFTWARE AGREEMENT	\$0.00	\$126,227.22
KRONOS INC	THIRD PARTY SERVICE AGREEMENT	WORKFORCE CENTRAL - SOFTWARE AS A SERVICE TERMS & CONDITIONS	--	--
MEDICAL RECORD ASSOCIATES LLC	THIRD PARTY SERVICE AGREEMENT	STATEMENT OF WORK 2020-3	\$968,400.38	\$918,400.38

<sup>3</sup> Huntington asserts that there are amounts owed in the ordinary course but not yet due to the Debtors separate from the listed Cure Cost. To the extent that amounts due to Huntington in the ordinary course are not paid prior to the Closing Date, the Debtors shall pay such amounts to Huntington within five (5) business days of the Closing Date.

COUNTER PARTY	CONTRACT CLASSIFICATION	CONTRACT TITLE	Original Cure Amount	Revised Cure Amount
MEDIREVV INC	THIRD PARTY SERVICE AGREEMENT	END TO END REVENUE CYCLE MANAGEMENT AGREEMENT	\$1,185,160.71	\$1,342,832.76
MEDIREVV INC	THIRD PARTY SERVICE AGREEMENT	FIRST AMENDMENT TO END TO END REVENUE CYCLE MANAGEMENT AGREEMENT	--	--
MEDIREVV INC	THIRD PARTY SERVICE AGREEMENT	SECOND AMENDMENT TO END TO END REVENUE CYCLE MANAGEMENT AGREEMENT	--	--
MEDIREVV INC	THIRD PARTY SERVICE AGREEMENT	THIRD AMENDMENT TO END TO END REVENUE CYCLE MANAGEMENT AGREEMENT	--	--
MEDIREVV INC	THIRD PARTY SERVICE AGREEMENT	FOURTH AMENDMENT TO END TO END REVENUE CYCLE MANAGEMENT AGREEMENT	--	--
OMNICELL INC	PURCHASE/SALES AGREEMENT	ASSIGNMENT TO PURCHASE ORDER DTD 11/17/2020	\$0.00	\$37,300.62
OMNICELL INC	PURCHASE/SALES AGREEMENT	ASSIGNMENT TO PURCHASE ORDER DTD 3/27/2020	--	--
OMNICELL INC	LEASE: EQUIPMENT	AGREEMENT SUMMARY DTD 3/31/2020	--	--
OMNICELL INC	LEASE: EQUIPMENT	ASSIGNMENT OF PURCHASE ORDER REF #MHI-001 DTD 11/24/2020	--	--
OWENS & MINOR DISTRIBUTION INC	THIRD PARTY SERVICE AGREEMENT	MASTER SERVICES AGREEMENT	\$0.00	\$456,253.09
OWENS & MINOR DISTRIBUTION INC	THIRD PARTY SERVICE AGREEMENT	PRIME DISTRIBUTION PROGRAM AGREEMENT	--	--
OWENS & MINOR DISTRIBUTION INC	THIRD PARTY SERVICE AGREEMENT	MUTUAL CUSTOMER ORDER AND PURCHASE AUTHORIZATION AGREEMENT	--	--
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	THIRD PARTY SERVICE AGREEMENT	SOLUTIONS AT WORK DTD 5/16/2018	\$150,056.23	\$214,780.90
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	SERVICE AGREEMENT	AGREEMENT	--	--

COUNTER PARTY	CONTRACT CLASSIFICATION	CONTRACT TITLE	Original Cure Amount	Revised Cure Amount
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	THIRD PARTY SERVICE AGREEMENT	AGREEMENT FOR SERVICES	--	--
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	SERVICE AGREEMENT	MANAGEMENT AGREEMENT DTD 1/1/1995	--	--
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	SERVICE AGREEMENT	CLINICAL EDUCATION AFFILIATION AGREEMENT	--	--
PROGRESSIVE REHABILITATION ASSOCIATES, LLC	SERVICE AGREEMENT	PROGRESSIVE REHAB OPERATING AGREEMENT	--	--
REVOLOGY, INC.	THIRD PARTY SERVICE AGREEMENT	BUSINESS ASSOCIATE AGREEMENT	\$308,421.72	\$283,285.38
REVOLOGY, INC.	THIRD PARTY SERVICE AGREEMENT	MASTER SERVICE AGREEMENT	--	--
REVOLOGY, INC.	THIRD PARTY SERVICE AGREEMENT	MASTER SERVICE AGREEMENT	--	--
REVOLOGY, INC.	CONFIDENTIALITY/NDAs/INDEMNIFICATION	MUTUAL NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT	--	--
REVOLOGY, INC.	SERVICE AGREEMENT	Revology SOW#1	--	--
REVOLOGY, INC.	SERVICE AGREEMENT	Revology SOW#2	--	--
REVOLOGY, INC.	SERVICE AGREEMENT	Revology SOW#3	--	--
REVOLOGY, INC.	SERVICE AGREEMENT	Revology SOW#4	--	--
REVOLOGY, INC.	SERVICE AGREEMENT	Revology SOW#5	--	--
ZIMMER US INC.	THIRD PARTY SERVICE AGREEMENT	AMENDMENT TO AGREEMENT	\$237,781.19	\$254,771.19
ZIMMER US INC.	THIRD PARTY SERVICE AGREEMENT	AMENDMENT TO AGREEMENT	--	--

COUNTER PARTY	CONTRACT CLASSIFICATION	CONTRACT TITLE	Original Cure Amount	Revised Cure Amount
ZIMMER US INC.	PURCHASE/SALES AGREEMENT	BUSINESS ASSOCIATE AGREEMENT DTD 10/10/2021	--	--
ZIMMER US INC.	PURCHASE/SALES AGREEMENT	ROSA PLACEMENT AGREEMENT	--	--
ZIMMER US INC.	THIRD PARTY SERVICE AGREEMENT	PRICING LETTER AGREEMENT DTD 11/20/2017	--	--